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CENTRAL INTELLIGENCE AGENCY

13 May 1954

MEMORANDUM FOR THE INTELLIGENCE ADVISORY COMMITTEE

SUBJECT: Post Mortem of NIE Production for 1953

1. The attached findings, noted by the IAC on 11 May, have been approved by the Director of Central Intelligence for dissemination.

2. Recipients are requested to take appropriate action when reviewing research and collection programs.

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Acting Assistant Director  
National Estimates

Distribution "A"

MORI/CDE

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13 May 1954

POST MORTEM OF NIE PRODUCTION FOR 1953

The following is a review of intelligence deficiencies revealed during preparation of National Intelligence Estimates during 1953. The principal estimates upon which these findings are based are listed in TAB "A."

1. GENERAL

- a. An improvement in the liaison between operational and intelligence echelons in the field as well as in Washington would result in the more timely receipt and production of intelligence and the receipt of additional intelligence,
- b. Generally, information is more easily obtainable on the Satellites (particularly on East Germany and East Berlin) than on the USSR. Since intelligence on the Satellites if of considerable

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help in analyzing developments in the USSR, an expanded effort should be made to exploit all available channels for obtaining economic, political, scientific, and military information on the Satellites.

- c. In view of the relative paucity of information and intelligence on the USSR, it is important that what is available be exploited fully. Soviet propaganda is one source which possibly could be more fully exploited.

2. SOVIET BLOC

The gaps in our intelligence with respect to the Soviet Bloc have been widely recognized for a long time. During 1953 a need was expressed for more effort on the resistance potential in the Bloc. Accordingly, on 8 December 1953, the IAC authorized creation of an Ad Hoc Resistance Intelligence Committee. Experience during 1953 also indicated a need for greater collection and research efforts in the following key areas:

- a. Aircraft Production. With the growth of Soviet atomic power, accurate estimates of Soviet long-range and fighter aircraft production are of critical

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importance. Efforts should therefore be continued to improve the basis of estimates of Soviet aircraft production.

- b. Basic Science and Technology. Special emphasis should be put on the collection and research effort in the field of electronics.
- c. Air Offense and Defense. Continued emphasis on weapons having possible dual offensive and defensive mission: missile development and production; and, aircraft development and production.
- d. Soviet Offensive Capabilities. Submarine characteristics, particularly propulsion, and of weapons for use with submarines (torpedoes, mines, and missiles). Of continuing interest are Soviet capabilities and developments in the fields of AW, RW, BW, and CW.
- e. Soviet Defensive Capabilities. Early warning, filter process, and communications relating to air defense; airborne radar; and ground control intercept.

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f. Economic Trends. Intelligence materials on the various sectors of the Soviet economy are inadequate for fully satisfactory analyses of economic developments and trends. All agencies having intelligence production responsibilities in this field should reexamine and refine so far as possible the materials relating to its specific areas of responsibility and each should seek to improve its field collection efforts.

g. European Satellites. Significant gaps in intelligence on the Satellites revolve on the extent and nature of resistance movements, and the nature of the Soviet mechanism for exercising control in these countries.

### 3. FAR EAST

Many of the intelligence deficiencies in the Communist Far East are similar to those that exist for the Bloc as a whole. The most critical gaps throughout the Far East include:

a. Sino-Soviet Relations. Our ability to estimate Communist capabilities and courses of action in

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the Far East will depend to a large extent on our knowledge of the nature of all aspects of the Sino-Soviet relationship. This is largely a collection problem and should be given a very high priority.

- b. Communist Courses of Action. Intelligence is required on the reaction and extent of the effect on Communist courses of action in Asia of a significant change in the military situation in Indochina.
- c. Chinese Communist Economy. Experience during 1953, particularly in the preparation of SE-37, indicated a continuing need for more specific and reliable information on Chinese economic development. One important example is China's transportation capabilities, particularly as those affect Chinese military capabilities.
- d. Viet Minh Capabilities and Intentions. During 1953 we have continued to rely almost exclusively on French sources for information concerning Viet Minh capabilities and intentions, both military and political, and concerning Chinese Communist

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support of the Viet Minh. Steps should be taken to develop independent sources of intelligence in this field.

- e. South Korea. Preparation of SE-48 revealed a deficiency in firm intelligence on President Rhee's intentions.
- f. Indonesia. Preparation of NIE-77 and SE-51 revealed the continuing and urgent need for more information on the political orientation of the Indonesian Government and the capabilities and intentions of the Communist and other dissident groups in Indonesia.
- g. Burma. The fluid and confused situation in Burma requires a steady flow of information on the orientation of the Burmese Government and its capabilities and intentions with respect to Communist and other dissident groups.

4. WESTERN EUROPE

The major problem with regard to Western Europe is not one of collection but primarily involves the analysis, evaluation, and synthesis of vast quantities of available factual data. Yugoslavia

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constitutes the major national intelligence gap; there are gaps in our knowledge of the interrelationship and position of the top-ranking Yugoslav leaders, general economic conditions, and military strengths and weaknesses. The other areas or items on which there are still important deficiencies are:

- a. The magnitude and importance of the French commercial and industrial investment in Indochina and North Africa, and the influence exercised by the industrial and commercial interests.
- b. The policies, personalities, and factions of the extreme left-wing parties in Italy (Communists, Nenni Socialists).
- c.
- d. The connections and relationships between East Germany and various groups in West Germany.

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5. MIDDLE EAST-AFRICA

Experience during 1953 indicated that over-all intelligence coverage of the Middle East is good. The top priority targets



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remain Iran and Egypt. The principal intelligence gaps noted --  
and these were not critical -- were: 25X6

a.



b. Indian Border Areas. Reporting from the Indian border areas, particularly from Kashmir and Nepal, was inadequate in view of increasing Communist interest in the area and indications of increasing friction between these areas and India.

c. Egypt. Although coverage of the Anglo-Egyptian dispute was excellent, further coverage would be useful on the internal political situation, particularly on the activities of the opposition.

d. Africa. Intelligence coverage of Africa is meager. We rely too heavily on the European metropolises for the limited information we receive on such issues as Communism, nationalism, racial tension, and intertribal relations. Assuming

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continued growth on the importance of Africa as a raw material source for the US, and growing unrest throughout the continent, broader intelligence coverage will become increasingly important.

6. LATIN AMERICA

Over-all intelligence coverage of Latin America is good. However, deficiencies exist in the following fields:

- a. Military opinion. Fuller reporting is desirable on the political positions of important military figures and on trends in the political views of both senior and junior military officers. With respect to Guatemala, more information is desirable on the degree of disaffection or anxiety in the officer corps resulting from Arbenz' collaboration with Communists and the army's inability to obtain US military material.
- b. Communism. Fuller information is needed on trends in Communist party strengths, and on Communist infiltration of government, labor, and intellectual circles, especially in Argentina and Bolivia.

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- c. The situation of labor. More concrete information is desired on the political orientation and the economic status of both organized and unorganized labor in all the countries with politically significant labor movements.**

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TAB "A"  
O/NE Memo  
13 May 1954

**PRINCIPAL NIE PRODUCTION BASE FOR 1953 POST MORTEM FINDINGS**

**1. SOVIET BLOC**

NIE-65	Soviet Bloc Capabilities through 1957
NIE-81	Probable Soviet Courses of Action with Respect to Germany through Mid-1954
NIE-87	Probable Developments within the European Satellites through Mid-1955
NIE-90	Soviet Bloc Capabilities through Mid-1955
NIE-95	Probable Soviet Bloc Courses of Action through Mid-1955
SE-36	Soviet Capabilities for Attack on the US through Mid-1955
SE-36/1	Soviet Capabilities for Attack on the US through Mid-1955
SE-38	Soviet Bloc Capabilities and Probable Courses of Action in Electromagnetic Warfare
SE-39	Probable Consequences of the Death of Stalin and of the Elevation of Malenkov to Leadership in the USSR
SE-40	Communist Reactions to US Establishment of a "Volunteer Freedom Corps"
SE-42	Current Communist Tactics
SE-46	Probable Long-Term Development of the Soviet Bloc and Western Power Positions
SE-47	Probable Effect of Recent Developments in Eastern Germany on Soviet Policy with Respect to Germany

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**2. FAR EAST**

- NIE-74** Probable Developments in Burma through 1953
- NIE-77** Probable Developments in Indonesia
- NIE-80** Communist Capabilities and Probable Courses of Action in Korea
- NIE-91** Probable Developments in Indochina through 1954
- SE-37** Probable Effects on the Soviet Bloc of Certain Courses of Action Directed at the Internal and External Commerce of Communist China
- SE-45** Thailand's Ability to Withstand Communist Pressure or Attacks through Mid-1954
- SE-48** Capabilities and Probable Courses of Action of the Republic of Korea with Respect to the Armistice in Korea
- SE-51** The Significance of the New Indonesian Government
- SE-53** Probable Communist Reactions to Certain Possible Developments in Indochina

**3. WESTERN EUROPE**

- NIE-63** France's Probable Future Role in the Western Security System
- NIE-63/1** Probable Short-Term Developments in French Policy
- NIE-71** Probable Outlook for Italy

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- NIE-93** Probable Developments in Yugoslavia

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- SE-54** The Political Outlook in Italy

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4. NEAR EAST AFRICA

NIE-73      Conditions and Trends in the Middle East  
                 Affecting US Security

NIE-75/1    Probable Developments in Iran through 1953

NIE-76      Probable Developments in Egypt

NIE-79      Probable Developments in South Asia

NIE-83      Conditions and Trends in Tropical Africa

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NIE-92     

NIE-102     Probable Developments in Iran through 1954

EE-49       The Current Outlook in Iran

5. LATIN AMERICA

NIE-84      Probable Developments in Guatemala

NIE-85      Probable Developments in Chile

NIE-86      Probable Developments in Brazil

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